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SUBJECT: SAGA ENDS FOR ANTI-CORRUPTION COMMISSIONERS

REF: A. JAKARTA 01950

[1](#)B. JAKARTA 1946 AND PREVIOUS

[1](#)1. (SBU) This cable is sensitive but unclassified. Please handle accordingly.

[1](#)2. (SBU) SUMMARY: In the face of mounting public outrage, Indonesia's Attorney General's Office dropped charges of extortion and abuse of power on December 1 against suspended Corruption Eradication Commission deputies Bibit Rianto and Chandra Hamzah. President Yudhoyono will also reinstate them as commissioners. The Bibit-Chandra case has dominated headlines for months as evidence grew that some police and prosecutors may have framed them to deter their graft investigations. The case has shaken public confidence in the Yudhoyono administration's ability to tackle corruption by revealing severe tensions among the three law agencies and highlighting the urgent need for institutional reform. END SUMMARY.

PROSECUTOR'S OFFICE DROPS CHARGES

[1](#)3. (SBU) On December 1, the Attorney General's office (AGO) announced that it was dropping charges of abuse of power and extortion against Bibit Samad Rianto and Chandra M. Hamzah, deputies at the Corruption Eradication Commission (KPK). Deputy Attorney General for Special Crimes Marwan Effendi stated that they were dropping the case in the interest of harmony between the law agencies.

[1](#)4. (SBU) Prosecutors had initially charged Bibit and Chandra with receiving bribes from businessman Anggoro Widjojo to stop investigations of his company for fraud, but due to lack of evidence, changed the charge to extortion. They also charged them with abusing their powers through wiretapping and travel bans. When the Constitutional Court played one of the wiretapped conversations, however, it appeared that some police, prosecutors, and Widjojo's younger brother Anggodo had fabricated charges against Bibit and Chandra. Civil society and the media demanded that the charges be dropped. In the midst of the public furor, President Yudhoyono announced (see reftel) that the law agencies could use their discretion to close the cases.

SAGA OVER FOR BIBIT AND CHANDRA BUT TENSIONS CONTINUE

[1](#)5. (SBU) Although the saga is over for Bibit and Chandra, who will get their jobs as deputies back by presidential decree, the case has revealed tensions among the three law enforcement agencies over different interpretations of their roles and powers. Referring to the abuse of power charges, Deputy Attorney General Effendi insisted that the charges of abuse of power "were valid" under the articles of the anti-corruption law (i.e. that the KPK could not unilaterally wiretap or issue travel bans). (Note: The AGO

and police legally must exercise these powers in conjunction with the courts.) He acknowledged, however, that since this was considered "a normal procedure" at the KPK, the suspects were "unaware of any violations". As this "was commonly practiced by their predecessors", he felt that their case could not be effectively prosecuted. Moreover, he noted that the public wanted charges to be dropped because it believes the deputies should continue their fight against corruption.

URGENT NEED FOR REFORM

16. (SBU) The Bibit-Chandra case has also highlighted the urgent need for reform. Some steps have been taken toward this with their reinstatement and the replacement of allegedly tainted officials in the police and prosecutor's office. As Bibit and Chandra take up their duties again, the KPK is re-opening their investigation into Bank Century which will parallel a Parliamentary inquiry into that case (see septel). It remains to be seen, however, how effective Indonesia's anti-corruption efforts will be with the credibility of the major law institutions hobbled, a weaker KPK, and a Yudhoyono administration attempting to weather its loss of face.

HUME